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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	ShelterPoint Insurance Company
<b>TOI/Sub-TOI:</b>	H02G Group Health - Accident Only/H02G.000 Health - Accident Only		
<b>Product Name:</b>	SPI Grp Acc Rates		
<b>Project Name/Number:</b>	/		

## Filing at a Glance

Company:	ShelterPoint Insurance Company
Product Name:	SPI Grp Acc Rates
State:	District of Columbia
TOI:	H02G Group Health - Accident Only
Sub-TOI:	H02G.000 Health - Accident Only
Filing Type:	Rate
Date Submitted:	08/05/2014
SERFF Tr Num:	FRSR-129628608
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	SPI GACC714 P RATES
Implementation	On Approval
Date Requested:	
Author(s):	Jane Neal, David Melman, Lauren Regnery, Christopher Crapo, Jackie Tootchen, Courtney Patrick, Abby Huber, Allison Smith, Kathy Nangle, Karen Lam, Amber Myers
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Implementation Date:	
State Filing Description:	

**State:** District of Columbia **Filing Company:** ShelterPoint Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** SPI Grp Acc Rates  
**Project Name/Number:** /

## General Information

Project Name: Status of Filing in Domicile: Pending  
Project Number: Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Group  
Submission Type: New Submission Group Market Size: Small and Large  
Group Market Type: Employer Overall Rate Impact:  
Filing Status Changed: 08/05/2014  
State Status Changed: Deemer Date:  
Created By: Abby Huber Submitted By: Abby Huber  
Corresponding Filing Tracking Number: FRSR-129628609

### Filing Description:

ShelterPoint Insurance Company  
NAIC # 89958 FEIN #86-0367818  
GROUP ACCIDENTAL INJURY PROGRAM  
Rates & Actuarial Memorandum  
SERFF Tracking # FRSR-129628608

McHugh Consulting Resources, Inc. has been requested to file the enclosed rates and actuarial memorandum on behalf of ShelterPoint Insurance Company. We have provided an authorization letter for your files.

We are submitting the above captioned for your review and approval. The corresponding forms have been submitted separately under SERFF Tracking #FRSR-129628609.

Thank you for your attention to this filing. Should you have any questions, or require additional information, please do not hesitate to contact me.

Sincerely,

Laura Hoogland  
McHugh Consulting Resource, Inc.  
215-230-7960  
mcr@mchughconsulting.com

Attachments

## Company and Contact

### Filing Contact Information

David Melman, Chief Legal Officer dmelman@firstrehab.com  
600 Northern Blvd. Suite 310 516-829-8100 [Phone] 350 [Ext]  
Great Neck, NY 11021 516-504-6454 [FAX]

State: District of Columbia

Filing Company: ShelterPoint Insurance Company

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**Filing Company Information**

ShelterPoint Insurance Company

CoCode: 89958

State of Domicile: Florida

600 Northern Blvd.

Group Code: 4803

Company Type:

Ste. 310

Group Name:

State ID Number:

Great Neck, NY 11021

FEIN Number: 86-0367818

(516) 829-8100 ext. [Phone]

**Filing Fees**

Fee Required? No

Retaliatory? No

Fee Explanation:

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## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Upon Approval
<b>Rate Change Type:</b>	Neutral
<b>Overall Percentage of Last Rate Revision:</b>	%
<b>Effective Date of Last Rate Revision:</b>	
<b>Filing Method of Last Filing:</b>	

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
ShelterPoint Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Premium Rates	SPI GACC714 P DC	New		DC - Premium Rates - SPI GACC714 Accident 07.24.14.pdf,
2		Actuarial Memorandum	SPI GACC714 P DC	New		Actuarial Memorandum - 24 Hour Accident - SPI 07.24.14.pdf,

## **PREMIUM RATES FOR 24 HOUR ACCIDENT COVERAGE**

**STATE OF DC**

**GROUP ACCIDENTAL INJURY INSURANCE POLICY # SPI GACC714 P DC**

Premium rates are based on one unit of coverage. The monthly rates are as follows:

### **24 Hour Coverage**

Employee	\$ 3.90
Employee & Spouse	\$ 7.50
Employee & Child(ren)	\$ 6.95
Full Family	\$ 10.65

# **ShelterPoint Insurance Company**

## **Actuarial Memorandum**

Date: June 19, 2014

RE: 24 Hour Accident Coverage SPI GACC714 P

The purpose of this memorandum is to describe the methodology utilized to develop the scale of premium rates being submitted for ShelterPoint Life Insurance Company's ("SPI") 24 Hour Accident Coverage benefit.

This line of business is brand new for SPI. Additionally, SPI has never written any first-dollar Medical insurance coverage. As such, there is no internally available information from which to obtain utilization statistics for purposes of developing premium rates for this new line of coverage. Therefore, reliance was placed on the publicly available premium rate manual of one of the leading carriers providing this type of coverage – Allstate Life Insurance Company of New York ("Allstate").

The plan design incorporated within SPI's submitted policy form takes the same approach as Allstate in that it utilizes a schedule of benefits equal to 1 "Unit" of coverage. In the case of SPI's contract, the scheduled payment amounts are equal to half of those incorporated within the definition of a Unit by Allstate, with the following exceptions:

1. SPI's minimum reimbursement of \$5.00 (Medical Supplies and Medicine) is the same as the Allstate allowance for these types of expenses.
2. SPI's \$65 allowance for Appliances is slightly greater than half of the \$125 Allstate allowance.
3. SPI's benefit payments for Accidental Death, Common Carrier and Dismemberment incorporate an age reduction for those attaining age 70 and later. Allstate's schedule does not incorporate such age reductions.

The first two exceptions will result in expected claim costs modestly above those for half of an Allstate Unit, while the third exception will result in slightly lower claim cost than those for half of an Allstate Unit. On a net basis, the impact of these exceptions should be negligible. As such, for purposes of setting the premiums for a Unit of SPI's coverage, I have set them at 50% of the Allstate premium rates for their Unit of coverage. There is also a modification and simplification within the Schedule of Benefit Factors. We do not believe that this will result in a material differential in overall claim costs.

Given that Allstate's anticipated loss ratio was set at 65.46%, this would imply a similar level of loss ratio underlying the premium rates being filed for SPI..

The components of the total premium are as follows:

Incurred Claims	65.5%
Commissions	15.0%
Other Sales Expenses	3.4%
Premium & Other Taxes (excl. FIT)	2.0%
Administrative Expenses	11.4%
Underwriting Gain	<u>2.7%</u>
Total	100.0%

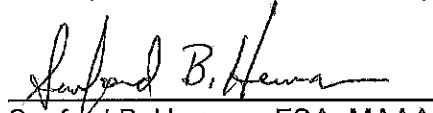
### **Monitoring of Claims Experience**

Because the 24 Hour Accident Coverage product is a brand new coverage for SPI, the premium rates have been developed by heavily relying upon external data reflecting the experience of another insurance carrier. It is likely that emerging SPI experience will ultimately show variances from the assumptions made for this initial pricing, both in terms of overall cost levels and the experience relativities for the variables by which rates are being adjusted. SPI will be closely monitoring the emerging experience and, as credible information and results become available, will make timely adjustments to the pricing of this product as warranted.

### **Compliance Certification**

I, Sanford B. Herman, FSA, MAAA, am qualified under the current American Academy of Actuaries' standards to provide this memorandum.

I certify that the proposed rates are reasonable in relation to the benefits provided, are not inadequate, excessive or unfairly discriminatory.



Sanford B. Herman, FSA, MAAA

Senior VP & Chief Actuary, The First Rehabilitation Life Insurance Company of America



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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	Please see the Filing Description
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Certificate of Authority to File
<b>Comments:</b>	
<b>Attachment(s):</b>	McHugh Authorization Letter (SPI) 7-11-14.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	Please see the rates tab
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	Complied
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	Not applicable to Accident Filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	Not applicable to Accident Filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

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<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Please see the rates tab
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	Not applicable to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



ShelterPoint Insurance Company  
[ Administrative Office: 600 Northern Boulevard, Ste. 310 | Great Neck, NY 11021  
Fax: 516.504.6412 (main) | 516.504.6436 (service) | 516.504.6414 (claims)  
www.shelterpoint.com | Phone: 800.365.4999 ]

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July 11, 2014

**Re: ShelterPoint Insurance Company (NAIC #89958) Authority Designation for McHugh Consulting for SERFF Form Filings**

Dear Sirs:

This letter acts as authorization for McHugh Consulting Resources and its representative analysts to file any or all policy forms on behalf of the above referenced company and to serve as the primary contact on behalf of the company regarding such filings while under review. Please contact McHugh Consulting Resources with questions or comments regarding the enclosed filing.

Sincerely yours,